

CD Law & Mill Levies

Collecting the maximum levy allowed to CDs increase operating budgets and allows districts to put as much conservation on the ground as possible.

Supervisors may request the county commissioners to levy a tax on all real property within the CD district boundaries. Boundaries do not change when a city annexes land. Make sure that taxes are levied properly.

The mill levy tax may not exceed the value of the previous year's levy. Income generated from taxes will generally increase due to inflation and new development within the district. Income should not go down because the CD is allowed to increase the mills levied if taxable values decrease.

What is a Mill?

A mill is one-thousandth (.001) of a dollar. You can determine the value of a mill by taking the total taxable value in a district (an amount provided to the district by the county assessor) and multiplying it by .001

EXAMPLE:

Taxable Value = \$13,000,000

$\$13,000,000 \times .001 = \$13,000$

\$13,000 is the value of one mill

How to calculate your mill

Use form *Determination of Tax Revenue* provided by the Dept of Administration (DOA) to estimate your mill value. This form is found on their website.

You will need three figures from your county (which they may not have until August).

1. Last year's income
2. Taxable value of the previous year
3. Taxable value of newly taxable property

Sometimes the county does this for you, but it is the CDs' responsibility.

Mill Levy request to County

- CDs must submit an estimate of funding needed for operations to the county by the first Monday in July. (Your county may need it sooner)
 - You don't need to legally submit your estimate in a budget format, but you need a budget anyway, so if your county requests it, please supply it.
 - If you are expecting the entire assessment allowed by law, make sure to request it that way. Otherwise, the county may reduce your levy if you have a carryover.
- How much income did your mill levy generate the previous year?
 - What was your mill worth the previous year?
 - Did the value go down or go up?
 - Check the boundaries of the CD to be sure your levy includes all land within the CD
 - Your income should not be less than last year
 - Be sure to review your monthly statements from the county (tax collection and disbursements)
 - Now is the time to start working on your budget for next fiscal year

Things to check . . .

Did you know?

Conservation districts only levy a tax on real property. Real property includes land and improvements affixed to the land.

Conservation district supervisors are responsible for every dollar spent and collected, no matter the source

County commissioners do not have authority to spend or treat how CD funds are spent

All funds that pass through the CD coffers can only be used for lawful purposes outlined in CD law

The county levies a tax on all real property within the district based on the supervisors' request

The 1.5 mill levy cap was eliminated in 2004, but due to a mistake, was not removed from CD law until the 2009 legislative session

Additional resources

DNRC CARDD Conservation Districts Bureau offers webinars on CD Finances that include Mill levy and Permissive levy calculations. Further, for districts that require additional operating assistance, the Administrative Grant Application webinar can be accessed here as well. Webinars and supplemental documents can be viewed at www.dnrc.mt.gov/divisions/cardd/docs/cd-new/cd-supervisors

Administrative grants can be accessed at www.dnrc.mt.gov/grants-and-loans



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